

14th Annual Report

Year Ending

MARCH 31st, 1937



Commercial Alcohols Limited

3176 Notre Dame Street East

TORONTO

MONTREAL

WINNIPEG

PURVIS HALL
LIBRARIES

JAN 12 1946

McGILL UNIVERSITY

May 15th, 1937

To the Shareholders:

Your Directors submit herewith your Company's Fourteenth Annual Report, together with the Balance Sheet as at March 31, 1937, also statement of Profit and Loss for the twelve month period ending on that date, prepared in accordance with the provisions of the Dominion Companies Act 1934 and Amendments thereto.

An examination of the statement of Profit and Loss will show that a net profit of \$59,068.29 was earned before providing for depreciation and income tax, and, in comparison with the two previous years, shows a decided improvement.

Year Ending March 31st			
	1937	1936	1935
Net Operating Profit.....	\$59,068.29	\$35,942.62	\$23,114.52
Depreciation.....	17,749.32	17,850.03	21,257.12
	41,318.97	18,092.59	1,857.40
Provision for Income Tax.....	7,309.62	2,866.27	300.00
Net Profit for Year.....	\$34,009.35	\$15,226.32	\$1,557.40

During the year your Company made expenditures for additional Plant and equipment for the Magnesia Department which increased the fixed assets of the Company by \$10,771.33.

Due to the further expansion that was essential both in the Alcohol Refinery and the Magnesia Department, your Directors decided that it was the opportune time to reorganize the Company so as to recompense the Preferred Shareholders for the accumulated back dividends due on their stock, and at the same time provide the additional capital for the necessary extensions to the Plants. Your Directors submitted their plan to the Shareholders at a special general meeting held on March 15, 1937, at which over eighty percent of each class of stock was represented. The plan was approved and adopted unanimously by the Shareholders of the Company. The result of this plan will bring in about Sixty thousand dollars new capital to the Company, and at the time of making this report contracts have been let for new buildings and power plant amounting to about Forty-five thousand dollars. The benefit from this expenditure should commence to be reflected in the earnings of the current year.

During the year all the Bonds of the Company outstanding have been converted into Common Stock, so the Company now has no funded debt.

For the convenience of the Shareholders, the new Preferred Stock of the Company has recently been listed on the Montreal Curb Market.

Your Directors consider the Company's operations and sales during the year in review were very satisfactory, and the Company's Plant and equipment have been well maintained and are in good condition.

Your Directors wish to express their appreciation of the faithful and efficient services rendered by the staff and employees.

On behalf of the Board,

C. G. KERTLAND,
President.

DIRECTORS

THOMAS ARNOLD	W. J. HENDERSON	JOHN IRWIN	C. G. KERTLAND
A. LAFONTAINE, K.C.	F. J. MANNING	J. A. WALES	

COMMERCIAL ALCOHOLS LIMITED

Balance Sheet as at 31st March 1937

ASSETS

Current Assets:

Cash on Hand.....	\$	50.00	
Accounts Receivable.....	\$	12,137.62	
Less: —Reserve for Bad Debts.....		200.00	11,937.62
Inventories—Finished Products, Raw Materials and Supplies—at cost.....		104,322.31	
Containers on Hand.....		14,484.55	\$130,794.48

Deferred Charges:

Sundry Prepaid Expenses.....			3,815.30
------------------------------	--	--	----------

Fixed Assets—at Cost

Buildings, Plant and Equipment.....		266,561.86	
Less: —Reserves for Depreciation.....		110,228.92	156,332.94

Rights and Contracts			111,152.09
-----------------------------------	--	--	------------

APPROVED ON BEHALF ON THE BOARD:

C. G. Kertland } Directors.
Thomas Arnold }

\$ 402,094.81

LIABILITIES

Current Liabilities:

Bank Overdraft.....	\$	578.56	
Bank Loan—(Secured).....		9,500.00	
Bills Payable—(Secured).....		21,499.16	
Accounts Payable and Accrued Expenses.....		16,543.89	
Provision for Taxes including Dominion and Provincial Income Taxes.....		7,592.35	\$ 55,713.96

Reserve for Containers:

7,479.68

Capital:

Preferred Stock:

Authorized, Issued and Fully Paid— 50,000 8% Cumulative, Convertible, Redeemable Shares of a Par Value of \$5.00 each, with warrants to purchase 75,000 Shares of Common Stock at 80 cents per Share..	250,000.00
---	------------

Common Stock:

Authorized: 400,000 Shares without Nominal or Par Value.	
Issued and Fully Paid—103,400 Shares.....	108,500.00

Deficit —as per attached Statement.....	358,500.00	338,901.17
	19,598.83	

\$402,094.81

Note:

- Dividends on Preferred Stock are cumulative from 1st July 1937.
- Contingent Liability:
Containers in hands of Customers..... \$37,164.15

AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the books and accounts of Commercial Alcohols Limited for the year ended 31st March 1937, and we have obtained all the information and explanations which we have required.

We report that, in our opinion, the above Balance Sheet and relative Statements of Income and Expenditure and Deficit, are properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs and the results of the operations for the year, according to the best of our information and the explanations given to us and as shown by the books of the Company.

Montreal, 3rd May, 1937.

(Signed) McDONALD, CURRIE & CO.,
Chartered Accountants.

COMMERCIAL ALCOHOLS LIMITED

GENERAL STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31st MARCH, 1937

Net Operating Profit for the Year.....		\$ 76,174.26
Deduct:		
Taxes (Excluding Income Taxes).....	\$ 4,975.94	
Executive's Salary.....	10,000.00	
Directors' Fees.....	1,180.00	
Bond Interest.....	350.03	
Legal Fees.....	600.00	17,105.97
		<u>59,068.29</u>
Deduct:		
Provision for Depreciation.....		17,749.32
		<u>41,318.97</u>
Deduct:		
Provision for Dominion and Provincial Income Taxes.....		7,309.62
Net Profit for the Year.....		<u><u>\$ 34,009.35</u></u>

STATEMENT OF DEFICIT FOR THE YEAR ENDED 31st MARCH, 1937

Balance at Debit of Profit and Loss Account as at 31st March, 1936.....	\$ 53,608.18
Deduct: Net Profit for the Year.....	34,009.35
Balance at Debit of Profit and Loss Account as at 31st March, 1937.....	<u><u>\$ 19,598.83</u></u>